

California Partnership for the San Joaquin Valley
Economic Development Work Group
March 2006 Update

Work Group Vision/Mission Statement

The vision of the Economic Development Work Group is to improve the overall economic competitiveness of the San Joaquin Valley. The mission of the Work Group is to develop an actionable plan by October 31, 2006 focused on immediate opportunities that can lead to the greatest, long-term benefit for the region.

Summary of Scope of Work

- **Innovation and Entrepreneurship Development**
 - Conduct a comprehensive audit of the Valley's "knowledge infrastructure" (i.e. lawyers, financial professionals, engineers, business consultants, university researchers, small business support programs) to identify sources of technical and business expertise for new firm formation.
 - Create an Environmental Technology Investment Fund – Assemble the state and regional investment community to develop an environmental technology investment fund headquartered in the San Joaquin Valley.
 - Business Incubators and Research Parks – Work with economic and community development leaders, along with the commercial real estate industry, to identify opportunities for new incubators and research parks.
- **Competitiveness of Target Industries** - Work with economic and community development leaders to identify the top 3-5 industry clusters with growth potential throughout the region. Develop region-wide industry networks in the targeted areas by connecting existing industry groups, trade associations, etc. Identify top opportunities/challenges for the targeted industries and develop industry-driven action plans to realize the opportunities and overcome the challenges. Initiate implementation of the industry action plans.
- **Infrastructure and Incentive Programs** - Develop the parameters of "best practices" infrastructure investment and incentive programs that provide the most efficient and effective use of public resources. Evaluate existing tools and programs offered by the state relative to those "best practices," including a specific review and recommendation on the usefulness of the Rural Investment Tax Exemption Program offered by the California Infrastructure and Economic Development Bank. Identify gaps, inefficiencies, barriers to usefulness, and opportunities. Partner with the Federal Interagency Task Force's Water/Waste Water Committee to develop specific plans to address water infrastructure needs in rural sub-regions. Develop an actionable plan to modify, eliminate, and/or create the infrastructure investment and incentive programs needed in the Valley.
- **Renewable Energy** - Join forces with the Federal Interagency Task Force's "Clean Air/Clean Energy" work group. Conduct an audit of renewable energy programs and experts in the region (e.g. university, non-profit, education and training community, private sector) to assemble a leadership team. Review the March 2003 Great Valley Center publication, "Renewable Energy: Strategic Opportunities for the Great Central Valley," and advance the recommendations of the report: (1) craft a regional strategy, (2) encourage market development, (3) streamline local planning and permit processes, (4) provide capital incentives, and (5) influence state policy.

Progress to Date

- **Work Group Meetings and Stakeholder Engagement** – The Economic Development Work Group has met in conjunction with the Higher Education and Workforce Development Work Group on four occasions – September 16 at University of the Pacific at the inaugural Partnership board meeting; November 1 in Fresno; December 8 at UC Merced prior to the quarterly Partnership board meeting;

and February 1 in Visalia. Each meeting has involved 75 to 100 stakeholders from economic development organizations, community colleges, universities, business organizations, and local workforce investment boards.

- **Completion of “Action Plan” Worksheets** – The focus of the initial work group meetings has been on the completion of “action plan” worksheets that will help form the basis for our comprehensive action plan. We are identifying (1) Regional Outcomes – the specific measures of regional progress; (2) Regional Assets – the existing and potential contributors to regional progress; and (3) Regional Changes – the specific actions required for regional progress.
- **WIRED Proposal Process and Recommendations** – In late November, the U.S. Department of Labor released an announcement for the Workforce Innovation in Regional Economic Development (WIRED) initiative. The purpose of the initiative is to better integrate education, workforce development and economic development and to “transform” regional workforce and economic development systems. Each state was allowed to submit up to three regional applications.

The Economic Development and Higher Education/Workforce Development work groups prepared a draft application and presented it to the California Partnership at its December 9 board meeting. The Partnership unanimously endorsed the application. The following week, the State selected the Partnership’s application as one of three that would advance to the U.S. Department of Labor.

Ad hoc committees involving the local workforce investment boards, several community colleges, and economic development corporations in the region were quickly formed to shepherd the development of the San Joaquin Valley’s final application to the U.S. Department of Labor. Ultimately, the San Joaquin Valley’s application was not successful. A critique of our application has been received and needs to be reviewed by stakeholders in the region.

Although the application was not selected, the WIRED process provided an excellent opportunity for workforce and economic development stakeholders to develop an early draft of the action plan for the Partnership. The recommendations related to economic development included:

- **Venture Training** – Training existing small business support personnel throughout the Valley on identifying and supporting “high growth” firms and preparing them for equity investment;
 - **“Network of Experts”** – Creating a region-wide network of technical professionals (e.g. lawyers, accountants, engineers, information technology specialists) to help groom high growth firms;
 - **Angel Investor Groups** – launching formal angel investment groups in the region; and
 - **Accessing Outside Venture Funds** – making a concerted effort to build referral relationships with venture funds located outside the region.
- **Progress on Renewable Energy as an Economic Development Opportunity** – Paul Johnson of Strategic Energy Initiatives has served as the volunteer champion for the Renewable Energy sub-group. The sub-group has been working closely with the Partnership’s Air Quality Work Group to develop recommendations for the deployment of clean technology in the region in order to achieve both air quality enhancements and to promote the clean energy industry in the region. Preliminary recommendations for accelerated deployment of clean technology are being advanced to the Partnership board at the March 9th board meeting through the Air Quality’s draft action plan.